DEFENSE FINANCE AND ACCOUNTING SERVICE
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APR 28 2003

DFAS-DFM

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS-PM/CL)

SUBJECT: Interim Change to the Department of Defense Financial Management Regulation (DoDFMR), Volume 7B, Regarding Reinstatement of Time-in-Grade Requirement for Retirement (DFAS Item M-16)

Attached is Interim Change **R 09-03** to Chapter 5 of the DoDFMR, Volume 7B. This change incorporates Public Law 107-314, Section 505, which reinstated the authority to reduce three-year time-in-grade requirement for retirement of officers in grades above Major and Lieutenant Commander. The effective period is from October 1, 2002, and ending on December 31, 2003.

This is a routine change and the result of directed action that does not affect existing policies. A draft of this change was not provided for comments. Assignment of the interim change number is your authority to initiate a procedural modification to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7B.

Gloria D. Harris
for Jerry S. Hinton
Director for Finance

Attachment:
As stated

cc: DASD(MPP)(Comp)
OUSD(C)(OCDFO)(FP)
ODGC(F)
DFAS-GA/CL
DFAS-PDO
Service Liaison
USCG/NOAA/PHS Liaisons

1. Revise paragraph 010501.B to read:

010501.B. A commissioned officer of the Army, Navy, Air Force, or Marine Corps, who voluntarily retires in a grade above major or lieutenant commander, must serve on active duty in that grade for not less than 3 years. The President may waive this requirement in cases of hardship or exceptional or unusual circumstances. The Secretary of Defense may reduce the service-in-grade requirement to 2 years for retirements during the period beginning on October 1, 1990, and ending on December 31, 2001. Such authority was reinstated under P. L. 107-314, section 505 during the period beginning on October 1, 2002, and ending on December 31, 2003.

2. Revise paragraph 010501.E.5 to read:

5. The Secretary of Defense may reduce the time-in-grade restriction from 3 years to not less than 2 years for retirements during the period beginning on October 17, 1998, and ending on December 31, 2001. The above authority was reinstated under P. L. 107-314, section 505 during the period beginning on October 1, 2002, and ending on December 31, 2003.

3. Bibliography additions:

Paragraph	Citation
010501.B	Public Law 107-314, section 505, December 2, 2002
010501.E.5	Public Law 107-314, section 505, December 2, 2002